GENERAL OBLIGATION BOND PROJECT OVERSIGHT COMMITTEE MEETING MINUTES DECEMBER 1, 2003

- 1. Attendance See Attendance Sheet attachment.
- 2. Review and Acceptance of November 3, 2003 meeting minutes.

ACTION: Mr. Leonard Wien motioned to approve the minutes. The motion was seconded by Mr. Frank Del Vecchio. The motion passed.

3. Change Orders

Mr. Tim Hemstreet reported to the Committee that the Change Order report reflected that the Marseille Drive project had several change orders, yet the GO Bond funding for the project was only \$2,700. He explained that this project used GO Bond funds for only the design phase, not the construction phase.

Presentation

(A) South Shore Community Center

Mr. Del Vecchio summarized the project explaining that the building had six non-profit organizations operating in it that the City subsidized. He added that the Center had not had maintenance and was in disrepair. He continued by saying that in 1999, the project was funded by GO Bond and \$1.3 million was the estimate for construction costs. He added that the Administration has come to the conclusion that the renovation of the facility would take place in three phases. Phase I consisted of improvements to the major systems on the second floor (elevator, fire alarm, windows, roof, restrooms, insulation, fire code, ADA improvements) in the facility. He added that cost for Phase I were estimated at \$785,000. He further explained that Phase II would be to the major systems on the first floor and was estimated to cost \$540,000. He added that Phase III included exterior improvements such as fencing, landscaping, repaving, drainage and tot lot improvements. He said that Phase III would be constructed during Fiscal Year 2006, if sufficient funds existed.

Mr. Leonard Wien believed that it was a good thing that it was being done in three phases and wanted to know if it was better to renovate or build a new facility.

Mr. Hemstreet explained that REG Architects was asked to design a renovation of the building and that the estimate to do so was well over \$2 million. He added that if the renovation was done as orginally conceived, all the tenants would have to vacate the building over a nine to twelve month period. He said that as it has

been proposed to only renovate the current building systems, the current tenants would not need to be displaced.

Mr. Michael Rotbart wanted to know how many tenants were in the facility.

Mr. Hemstreet responded that there were four or five tenants in the building and some have vacated due to the pending construction. He added that the building does not house City departments or divisions, only non-profit organizations that provide service to the community. He added that phasing the construction to minimize the impact for the tenants was the recommendation of the Administration.

Mr. Del Vecchio recalled that a memo from REG Architects to Public Works in 2000 included a recommendation that the building should be demolished and a combination community center and commercial facility built. He continued by saying that in October 2000, an estimate was done to replace the building at a cost of approximately \$2.14 million, not taking into consideration the site costs.

Mr. Wien commented that the City should sell the building instead of investing all the money in renovating the building and use the proceeds to subsidize the rents of the organizations in another facility. He felt that \$1 million dollars should not be spent on renovations.

Ms. Sherri Krassner commented that it was the Committee's job to watch the preservation of funds and how the GO Bond money is used. She added that Committee should always take up the job of reviewing where the funds are coming from for renovations. She also wanted to find out if there could be time set aside in the Committee's agenda for someone from Finance to come and speak with them on options they have for maintenance funding.

5. Recommendation to City Commission

(A) Bayshore Neighborhood A/E Amendment for Design, Award and Construction Administration

Mr. Tim Hemstreet informed the Committee that CH2M Hill sent a letter to the City, noting that they had considered the Committee's request to reevaluate the fee proposal for the Design, Award and Construction Administration portion of the Bayshore Neighborhood project. They maintained that their fee proposal of \$1,913,302, was the lowest that could be offered. The Administration recommends the City continue with CH2M Hill and consider this fee fair. He also said that they cannot guarantee a new designer would have a better fee if the project is put out to RFQ. He also said he recommended them since they have a good track record with the design of projects.

Mr. Sanchez wanted to know if cost is the first factor during the evaluation process of a consultant. Mr. Hemstreet responded by saying that the fee is not the first factor considered in the evaluation process. The process is governed under the Consultants Competitive Negotiations Act of the Florida Statutes. This requires the City to make a selection based on qualifications and then negotiate a fee.

Mr. Del Vecchio felt that the City Administration had been thoroughly questioned about the costs and savings on the project and did not see any reason why the project could not go ahead with their recommended firm.

ACTION:

Mr. Leonard Wien motioned to recommend that the City Commission amend the City's agreement with CH2M Hill for the Design, Bid/Award and Construction Administration services in an amount not to exceed \$1,913,302. The motion was seconded by Mr. Mike Brazlavsky. The motion passed with objections from Jean- Francios LeJeune and Michael Rotbart.

(B) Award A/E Agreement for Botanical Garden

Mr. Hemstreet reported that \$1.5 million of GO Bond funds are allocated for the Botanical Garden project. He added that negotiations with EDAW for planning services have been completed. The Administration recommends that EDAW serve as the A/E for the Master Plan portion of the project. He continued by saying that the planning phase fee that has been negotiated with EDAW is \$86,000. He added that the Miami Beach Garden Conservancy has agreed to contribute \$10,000 toward the fee to get the master plan underway so they can begin raising funds to construct the improvements that will be identified in the Master Planning effort.

Mr. Del Vecchio explained he and Mr. Scott Needelman represent the South Beach district and that he has been following this project from the beginning. He said that this project is moving along exactly as anticipated and the City is extremely fortunate that a non-profit organization has committed itself to bringing the Garden Center facility into compliance, and replan and rebuild sections to meet the professional standards. He added that the Conservancy is pledging and raising private funds and have hired staff and need the master plan in order to continue fund raising.

Mr. Steve Grundstein of the Miami Beach Garden Conservancy spoke, saying that the organization wanted to pay towards making the Garden extraordinary and make it a show place for the beach.

Mayor David Dermer said that the Garden has had a noticeable improvement in six years. He added that the project was eligible for funding from the Convention Development Tax.

Mr. Grundstein introduced Ms. Donna O'Higgins, President and Ms. Laura Jameson, Executive Director of the Botanical Gardens.

Mr. Rotbart wanted to know if it was legal to use GO Bond funds in an RDA area. Mr. Del Vecchio responded that the Botanical Gardens and the Holocaust Memorial are City parks. He added that specific authorization in the legislation and the redevelopment plan for the City Center Redevelopment Area allow for the expenditure of RDA funds on capital facilities and improvements. He continued by saying this project was specifically mentioned in the City Commission authorization of September 1999. In addition, the amended interlocal agreement between the City of Miami Beach and the County specifically identifies the City Center Redevelopment Area and the project area as an eligible use of Convention Development Tax funds. He added that it is legitimate since the entire Convention Center complex was seen as an economic generator with benefits to the economy of the City and to the hotels. He added saying it was a perfectly packaged vehicle for receipt of various funding sources.

ACTION:

Mr. Frank Del Vecchio motioned to approve recommending that the City Commission award the A/E agreement for the planning portion of the Botanical Garden project to EDAW in the amount of \$86,000. The motion was seconded by Mr. Leonard Wien. The motion passed.

(C) Fire Station #2 Project Status Report and Recommendation to either Award or Reject Fire Station #2 Construction Contract

Mr. Hemstreet presented an overview and history of the project. He continued by saying that the normal process would be to hire an Architect or Engineer to design or create construction documents for the project and go to bid. The City would then award the construction contract to the lowest and best bidder. He added that for this project, Jasco was selected in 1999 to do the Construction Management (CM) at Risk services. He added that the difference between the normal process and the CM at Risk process is that Jasco, the CM at Risk, are hired at the 30% design phase to work with the Architect to evaluate their documents and do budget estimates and a constructability review process, then hire subcontractors and perform the construction.

He reported that when the project reached the CM at Risk process, there was a discrepancy between the amount of funding and the estimate of construction price that Jasco was proposing of about \$2 million. At that time, due to scope of work and the CM at Risk agreement, the Administration recommended to the Commission that the relationship with Jasco be terminated. This was due to Jasco not meeting their contract for preconstruction services. After a lengthy process the City Commission awarded Jasco contract of the Water Tank and Pump Station portion of the rehabilitation of Fire Station No. 2 with direction to go back and re-evaluate the construction estimate for the Fire Station portion. If the performance of Jasco on the Water Tank and Pump Station portion was

acceptable, and the re-evaluated construction estimate was in line with independent estimates at current market prices, the Commission would consider awarding the Fire Station No. 2 construction portion to Jasco.

He added that the Administration has negotiated with Jasco what is believed to be the best Guaranteed Maximum Price (GMP) and compared it to the market price. He said that their experience with Jasco's performance on the Water Tank and Pump Station portion has been excellent and the project is progressing on time. He explained that Jasco has dealt with the responsibility and liabilities of being the CM at Risk by hiring subcontractors that are top notch in terms of ability and performance. He added that the Administration recommends that the project continue with Jasco being awarded the Fire Station No. 2 construction. He continued by saying that the current GMP proposal is \$8,337,510, exceeding the available funds by about \$4 million.

Mr. Hemstreet explained that there were several elements in the current project scope that were not in the original scope, or were never funded properly. These elements include a 3rd floor on the new fire station to serve as an Emergency Operations Center in the amount of \$780,000, site work for \$275,000 and miscellaneous soft costs in the amount of \$250,000. He said that these additional costs should not be held against Jasco since these elements were He continued by saying that components that have been never funded. compared by an independent estimator are for a straight bid process not a construction manager at risk process, so the comparison is not "apples to The independent cost estimate is for \$6,405,000 in a normal bid apples". He said that 10% should be added to this amount for unforeseen process. contingency, bringing the total to \$7,050,000.

Ms. Krassner wanted to know where short fall would be funded from. Mr. Hemstreet responded that the City Manager has committed that the City would find sources for the remaining funding. He added that the City is still working on determining those sources.

Mr. Wien stated that his recommendation is to go ahead and approve the award.

Mr. Hemstreet explained that they would go to City Commission on December 10, 2003 with a recommendation to award to Jasco. In the event the City Commission does not want to continue with Jasco, the project would have to go out to bid for a traditional bid process.

ACTION:

Mr. Leonard Wien motioned to approve the recommendation to award Fire Station #2 construction contract to Jasco. The motion was seconded by Ms. Amy Rabin. The motion passed. Jean Francios-LeJeune objected.

6. Project Status Report

(A) Fire Station #4

Mr. Hemstreet informed the Committee that the project is still in the design review process and construction documents have been submitted to the Building Department for plan review. He added that the revision process should be finished by end of December 2003 or early January 2004. He continued by saying that as soon as this process is finished, Carivon (JOC Contractor) will pull the permit on the new building and demolish the existing building.

(B) Normandy Isle Park and Pool

Mr. Chartrand informed the Committee that the Building Official issued a stop work order due to discrepancies on the construction documents and what was being done on site. The Construction Documents have been updated and presented again to the Building Official who is reviewing them. He added that it was likely the stop work order will be lifted very soon. Then the contractor will begin working again and correcting the errors made. He added that once the documents are corrected, testing is completed onsite and everything is in order, the contractor can begin progress again.

(C) Indian Creek Greenway

Assistant City Manager Robert Middaugh informed the Committee that since the last Commission meeting on November 25, 2003, the Administration decided to refer the issue of Right of Way acquisition to the Finance and Citywide Committee. It was the Administration's recommendation that a committee of private citizens be appointed to work with particular land owners to obtain easements or deeds to the Right-of-Way that were need in order to construct the entire Greenway.

Mr. Wien commented that he was very pleased with the report that was presented and wanted to work with the City.

(D) North Shore Open Space Park

Mr. Hemstreet informed the Committee that there are three phases involved with this project. He said that Phase I and Phase II have been completed. He continued by saying that Phase I included clearing of exotic vegetation and replacing it with native landscaping at the back of the dune and in the coastal areas, and providing a new irrigation system throughout the park. He said that Phase II was the removal of guardhouses along Collins Avenue, installation of 15' wide asphalt pathway, and installation of lighting, drinking fountains, Vita

course, and landscaping throughout the park. He said that Phase III is in review with the Building Department and the State for compliance with coastal regulations. He added that Phase III included renovation of the restrooms, shade pavilions, redoing some walkway paths and new playground equipment.

Mr. Rotbart commented that the fountains on the eastern sections are not working in the park and he wanted it reported. Mr. Hemstreet responded that it would be reported to the Parks and Recreation Department.

Ms. Krassner wanted to know if there was a contractor to finish up the Scott Rakow Youth Center. Mr. Hemstreet responded that once there is a final cost proposal from the replacement contractor, the building permit process could begin. He added that he could not give her a construction completion schedule yet, as one has not been received from the replacement contractor, but that he would inform the Committee as soon as he has received one.

Ms. Krassner wanted to know the status of the North Shore Park and Youth Center. Mr. Hemstreet reported that the project is behind schedule and Phase I and Phase II should be completed by the end of the year. He added that Phase III should be done by December 2003 or January 2004. He also said that the contractor was behind due to a lot of the work items being rejected. He added that much of the work that was rejected took several months to do, so it has taken several months to replace.

7. Informational Items

(A) Updated Calendar of Scheduled Community Meetings.

The calendar of scheduled community meetings was provided to the Committee.

A schedule of Committee meeting dates for 2004 was reviewed and adopted by the Committee.

The Meeting adjourned at 7:45 p.m.

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